

# Realty Trust Review

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## INVESTMENT STRATEGY: RIDE OUT MARKET UNCERTAINTIES WITH SPECIAL SITUATIONS

For the past few weeks, we have been cautioning that a downturn in stock prices was inevitable as the market swung from an interest rate mentality which says buy as rates fall to a recessionary mentality which says sell as outlooks dim. Frankly, we think that the recent market rise is running out of steam and that investors are beginning to turn to defensive issues. But unfortunately, while qualified REIT earnings should be relatively immune to recessionary ravages, we think that the share prices will fall with the market.

The 1974-75 debacle won't be repeated, but investor wariness will tend to undermine REIT shares. This is a good

time to pursue dollar cost averaging on realty trust shares; this would reduce average share price in a downturn and ensure that the bottom would not be missed; alternatively, if the market recognizes fundamental REIT values despite a declining market, you won't be left on the sidelines as stock prices appreciate.

The other strategy to be pursued is that of seeking out special situations, which move independently of the market as a whole. Kenilworth Realty, discussed on page 7, is an example. Or follow the block buyers. Unicorp Financial, among others, has been stepping up its activities; it now owns 40.0% of GREIT Realty, which now intends to begin investing in San Francisco REIT's shares and warrants (striking price \$25).

## WITH OUR SISTER SERVICE

*HOUSING & REALTY INVESTOR's May 16 issue contained the bi-monthly Relative Appeal Rankings for major investment builders, merchant builders, and mortgage finance companies.*

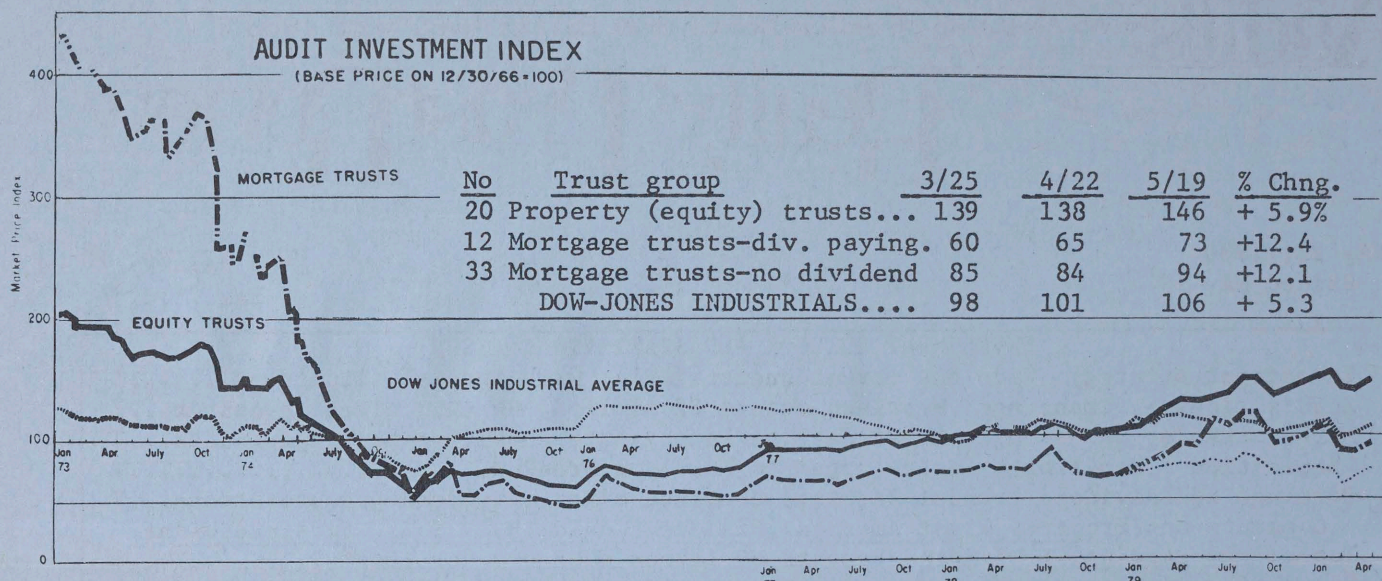
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Unicorp owns 8.3% of San Francisco.

While as we said earlier, earnings for the qualified REITs should remain strong throughout a recession, reflecting stable cash flow from fully leased properties, this is not the case for the non-qualified trusts and corporations, whose earnings tend more to reflect several one-time items. In recognition of this dichotomy, we have made a major change in our compilation of trust statistics with this issue.

Previously, we would annualize the earnings of the most recent quarter for the qualified REITs, while reporting the earnings of the most recent quarter only for the non-qualified trusts. Unfortunately, this led to wide swings in reported earnings for the nonqualified trusts. To rectify this, we have begun reporting earnings for all of the trusts on a trailing twelve months basis, and the dividends of those trusts which consistently pay out earnings also on a trailing twelve months basis.

Comparisons thus are done on a year-to-year basis, as opposed to a quarter-to-quarter basis. This is in conformity with standard practice, and also permits the recognition of seasonal variations, but tends to inflate reported earnings in a downcycle and to understate them in an upcycle. We feel that this

is outweighed by the benefits of including a wider range of earnings for the nonqualified trusts, while for the qualified trusts, the annualized dividend (with the exception noted above) will indicate the direction of income streams.

#### ACQUISITIONS & FINANCINGS: MARYLAND RLTY. RAISES \$2 MIL.: HEITMAN GIVES UP CENTER

Maryland Realty Trust has raised about \$2.2 million net capital, net of expenses, in a rights offering to holders. It sold 1,026,000 new shares to holders at \$2.25/sh., with Federated Reinsurance Corp., subsidiary of Federated Development Corp., providing about \$2.1 million and the rest coming from other holders.

Federated Reinsurance will now own about 64% of the 1,786,000 sh. outstanding. Book value is reduced from \$8.14/sh. to about \$4.50/sh. as a result of the sale below book value. But the sale plus a parallel asset swap will let Maryland cut bank debt to \$3.4 million at 10½% under a five-year term loan and end vulnerability to rate swings, as outlined last issue (RTR, May 12).

Heitman Mortgage Investors has ended by mutual agreement its plan to acquire Southgate Shopping Center, Fort Wayne, Ind., by issuing 1.2 million new shares. Holders will be asked in July to let HTM make direct equity investments.



## Summary of Comparative Trust Group Averages for the Month

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV	EARN 12 MOS	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	19	0	19	2239	15.80	2.21	2.62	17.37	9.7	1.2	6.6	12.7	9.9	16.6	712.4
-SMALL	9	0	9	1148	12.97	1.50	1.72	13.60	5.3	2.9	7.9	11.0	4.9	13.3	160.6
-SUBOR LAND	3	0	3	1862	17.16	1.58	2.37	16.79	13.0	2.5	7.1	9.4	-2.1	13.8	92.8
AVERAGE 3 PROP GROUPS			31	1885	15.11	1.94	2.33	16.21	8.9	1.7	6.9	12.0	7.3	15.5	965.8
PROP & MTG COMBINATION	13	10	23	2208	11.57	0.53	1.04	10.69	17.8	8.9	10.2	5.0	-7.6	9.0	621.7
SHORT-TERM MTG	11	0	11	2073	16.55	0.82	1.57	10.26	15.9	0.6	6.5	8.0	-38.0	9.5	263.1
LONG-TERM MTG/PROP	10	0	10	3335	16.34	1.19	1.12	10.45	13.6	3.3	9.3	11.3	-36.0	6.8	329.4
MTG/FCLSD PROP-MISC	2	6	8	4448	5.19	0.00	0.85	3.65	10.9	-5.3	4.3	0.0	-29.6	16.4	131.7
-BANK	0	13	13	2378	5.53	0.02	1.56	3.94	6.2	0.3	2.5	0.5	-28.7	28.1	107.0
-INDEPEND	0	40	40	4110	4.19	0.00	1.19	2.88	5.3	-9.3	2.4	0.0	-31.2	28.4	296.9
AVERAGE 3 MTG/FCLSD PROP			61	3784	4.60	0.00	1.22	3.20	6.3	-6.4	2.6	0.1	-30.3	26.6	535.6
OVERALL AVERAGE	67	69	136	2913	10.00	0.68	1.46	8.54	11.3	1.7	5.8	8.1	-14.6	14.7	2715.6
DOW-JONES INDUSTRIALS							124.46	830.39	5.2	-0.9	6.7	6.3			

MARKET TRENDS: GAINS ON INTEREST DECLINE  
PACED BY RATE-SENSITIVE MORTGAGE TRUSTS

The mortgage trusts continued their surge of last month, with the property and mortgage trusts up 17.8%, the short-term mortgage trusts up 15.9%, and the long-term mortgage and property trusts up 13.6%. Against these, the Dow Jones Industrial Index posted a 5.2% gain in the last month; the overall average for the realty trusts was up 11.3%.

The boom in the mortgage trust prices reflects the rapid slide in market interest rates. The mortgage trusts are yield vehicles, and share price moves to adjust yields on the shares to other market yields. Thus the yield on the short-term mortgage group is now 8.0%, down from 8.8% in April and 10.1% in March, and the yield on the long-term mortgage group is 11.3%, down from 12.5% in April and 14.0% in March. The long-term mortgage trusts especially become interesting plays now, as market rates, especially for long-term vehicles, are

substantially below the yield for the group. We don't think that the threat of foreclosures in the current recession is high enough to affect trust earnings materially; moreover, those trusts with substantial short-term debt should get a kick to their earnings from the decline in rates.

With the gain in the prices of the mortgage trusts, many of the property trusts are providing comparable yields. Florida Gulf, for example, is yielding 10.4%; American Equity, 13.3%; University, 12.9%; and USP, 10.7%. The 9.7% gain in the average group price over the month understates gains for the group, as General Growth's price fell 47.4% after the payment of its \$15/share dividend.

Among the large gainers were two trusts which raised their dividends: New Plan, with its eighth dividend boost in the past 3½ years, now yielding 9.7%; and Virginia REIT, which is a play on its liquidation value.

## Profile of Realty Trust Balance Sheets at Latest Report

	No.	---Invested Assets---		% Non- & Low-earn.	% Change in Month	Loss Reserve	Foreclosed Property	All Debt	Shareholders Equity	Depreciation	Taxloss Carry-forward
PROPERTY.....	31	\$ 1,755M	\$ 35M	2%	-6.1%	\$ 14M	\$ 12M	\$1,136M	\$ 648M	\$257M	\$ 3M
PROPERTY & MTG.....	23	1,792	336	19	-0.5	38	70	1,257	528	154	130
SHORT/TERM MTG.....	11	1,070	125	12	+0.8	27	89	659	421	6	13
L/T MTG/PROPERTY....	10	1,100	88	8	-1.4	11	71	578	521	9	0
MTG/FORECLOSED PROP.	61	4,026	2,522	63	-0.8	585	1,622	3,099	550	79	1,915
TOTALS/AVERAGES....	136	\$ 9,742M	\$3,106M*	32%	-0.8%	\$675M	\$1,864M	\$6,729M	\$2,667M	\$505M	\$2,062M

\* Includes \$937M or 9.6% low-earning assets.

M=Million.



RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MOS	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
PROPERTY TRUSTS-OVER \$25M ASSETS															
1	AM EQUITY INV #	OC-AEQTS	2497	10.88	1.70	MAR	2.29 ↑	12.75	15.9	13.3	5.6	13.3	21.0	31.8	
1	COMMONWLTH RLT#	OC-CRTYC	1344	9.88	0.40	NOV	0.92 ↑	8.75 X	18.0	2.9	9.5	4.6	-11.4	9.3	11.8
3	CONSOL CAP RLY#	OC-CCPLS	1989	27.20	2.52	FEB	4.62 ↑	28.50 X	6.3	-1.7	6.2	8.8	4.8	17.0	56.7
2	DENVER REI ASN#	OC-DENVN	1101	17.67	1.40	DEC	2.17 ↑	29.50	13.5	35.6	13.6	4.7	66.9	12.3	32.5
1	FEDERAL REALTY#	AS-FRT	1434	14.09	1.56	DEC	1.26 ↑	17.63	-0.7	17.5	14.0	8.8	25.1	8.9	25.3
1	FIRST UNION RE#	NY-FUR	5574	16.45	1.28	MAR	1.08 ↑	17.25	17.9	12.2	16.0	7.4	4.9	6.6	96.2
1	FLORIDA GLF RL#	OC-FGLFS	997	20.74	1.40	JAN	1.59 ↑	13.50	3.8	-11.5	8.5	10.4	-34.9	7.7	13.5
1	GENERAL GROWTH#	NY-GGP	6202	6.30	16.18	MAR	13.03 ↑	17.75	-47.4	-53.6	1.4	91.2	181.7	206.8	110.1
2	GOULD INVESTOR#	AS-GTR	1173	20.89	1.36	DEC	3.50 ↓	12.38	4.2	-11.6	3.5	11.0	-40.7	16.8	14.5
2	GREIT REALTY	AS-GRT	998	9.43	0.40	JAN	0.00	11.00	10.0	18.9	0.0	3.6	16.6	0.0	11.0
2	HUBBARD REI	NY-HRE	4004	25.30	1.76	JAN	2.17 ↑	15.63	10.6	-3.1	7.2	11.3	-38.2	8.6	62.6
2	NEW PLAN RL TR#	AS-NPR	3066	6.41	0.96 ↑	APR	0.85	9.88 X	22.4	8.2	11.6	9.7	54.1	13.3	30.3
1	PENN REIT	AS-PEI	1561	14.50	1.90	FEB	2.32 ↑	21.13	11.2	-10.6	9.1	9.0	45.7	16.0	33.0
2	REIT OF AMERICA	AS-REI	1633	22.50	2.00	FEB	2.69 ↑	22.25	1.7	4.7	8.3	9.0	-1.1	12.0	36.3
2	SAN FRAN RE IN#	AS-SFI	1406	22.73	1.76	MAR	1.84 ↑	25.00 X	14.3	6.4	13.6	7.0	10.0	8.1	35.2
NR	UNIVERSITY REI#	OC-URETS	2514	9.35	1.32	DEC	1.17 ↑	10.25 X	3.6	13.9	8.8	12.9	9.6	12.5	25.8
NR	USP RE EST INV#	OC-USPTS	2500	9.33	0.83	MAR	0.86 ↑	7.75	10.7	10.7	9.0	10.7	-16.9	9.2	19.4
2	VIRGINIA REIT #	OC-VARES	1022	14.67	1.00	MAR	0.97 ↑	17.00 X	13.1	54.5	17.5	5.9	15.9	6.6	17.4
2	WASH RE (WRIT)#	AS-WRE	1526	21.90	2.32	DEC	6.50 ↑	32.13	8.0	15.2	4.9	7.2	46.7	29.7	49.0
GROUP AVERAGE		2239	15.80	2.21		2.62	17.37		9.7	1.2	6.6	12.7	9.9	16.6	712.4
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS															
NR	GENERAL RE SHS#	OC-GRELS	557	14.90	1.56	DEC	1.86	10.00 X	-1.0	-9.1	5.4	15.6	-32.9	12.5	5.6
1	HOTEL INVESTOR#	AS-HOT	1721	20.14	2.40	FEB	3.10 ↑	24.00	9.1	24.7	7.7	10.0	19.2	15.4	41.3
NR	OLD DOMINION #	OC-ODRES	704	8.92	0.56	MAR	1.26	6.38	0.0	0.0	5.1	8.8	-28.5	14.1	4.5
NR	PITTS & W VA RR	AS-PW	1510	23.13	0.56	DEC	0.75	5.13	0.0	0.0	6.8	10.9	-77.8	3.2	7.7
NR	RL EST INV PRP#	OC-REIPS	959	8.67	1.36	MAR	1.42 ↑	10.25	0.0	-4.7	7.2	13.3	18.2	16.4	9.8
NR	REIT OF CALIF	OC-RTCAL	719	10.20	1.59	MAR	1.71 ↑	16.00	0.0	0.0	9.4	9.9	56.9	16.8	11.5
NR	TERRYDALE RLTY#	OC-TRYLS	336	24.38	1.80	DEC	2.16	19.25 X	6.5	6.9	8.9	9.4	-21.0	8.9	6.5
NR	US EQUITY & MTG	OC-USEM	1078	2.26	1.05	JAN	1.10	7.50	-6.3	-11.8	6.8	14.0	231.9	48.7	8.1
NR	Z SANTA ANITA	OC-SAC0Z	2748	4.11	2.60	MAR	2.16	23.88	7.3	0.0	11.1	10.9	481.0	52.6	65.6
GROUP AVERAGE		1148	12.97	1.50		1.72	13.60		5.3	2.9	7.9	11.0	4.9	13.3	160.6
PROPERTY TRUSTS-SUBOR LAND LEASEBACK															
1	ICM REALTY	AS-ICM	3011	16.03	1.00	FEB	1.50	16.00	16.4	8.5	10.7	6.3	-0.2	9.4	48.2
2	JMB REALTY	OC-JMBRS	510	21.69	2.20	FEB	4.08 ↑	17.00	9.7	-8.1	4.2	12.9	-21.6	18.8	8.7
1	PROPERTY CAPITL	AS-PCL	2065	13.76	1.53	APR	1.53 ↑	17.38	6.1	9.4	11.4	8.8	26.3	11.1	35.9
GROUP AVERAGE		1862	17.16	1.58		2.37	16.79		13.0	2.5	7.1	9.4	-2.1	13.8	92.8
PROPERTY & MTG COMBINATION															
3N	API TRUST	OC-APIIS	1012	8.36	0.00	DEC	1.25	2.50	5.0	-4.9	2.0	0.0	-70.1	15.0	2.5
3	BANKAMER RLTY	OC-BRLTS	3566	17.34	1.20	JAN	1.31	17.25	24.3	-5.5	13.2	7.0	-0.5	7.6	61.5
3N	BRT REALTY	AS-BRT	1400	0.92	0.00	NOV	0.00	1.00	33.3	6.4	0.0	0.0	8.7	0.0	1.4
1	CONN GENL M&R #	NY-CGM	5832	20.73	2.00	DEC	2.72	24.13	12.2	3.2	8.9	8.3	16.4	13.1	140.7
2	FLATLEY RL INV#	OC-FLTLS	1000	10.30	0.30	DEC	0.84	6.50	40.4	23.8	7.7	4.6	-36.9	8.2	6.5
2	IRT PROPRY CO#	AS-IRT	2306	12.83	0.90	MAR	2.39 ↑	9.75 X	15.6	2.6	4.1	9.2	-24.0	18.6	22.5
2	MILLER(HS) TRST	OC-HSMTS	560	18.92	1.80	NOV	1.64	17.25	6.2	-2.8	10.5	10.4	-8.8	8.7	9.7
1	MORTGAGE GROWH#	AS-MTG	2646	12.34	1.04	FEB	1.44	11.00	22.2	25.7	7.6	9.5	-10.9	11.7	29.1
2	PACIFIC RLT TR#	AS-PTR	843	23.24	1.20	FEB	2.58	23.25	16.3	3.9	9.0	5.2	0.0	11.1	19.6
2	PROPTY TR AMER#	OC-PTRAS	2338	9.16	0.85	DEC	0.48	8.50 X	11.3	15.2	17.7	10.0	-7.2	5.2	19.9
3	REALTY INCOME	AS-RIT	1591	10.05	0.80	JAN	0.00	7.75	12.6	3.3	0.0	10.3	-22.9	0.0	12.3
2N	RIVIERE REALTY#	OC-N/A	783	11.15	0.00	MAR	0.00	5.00	0.0	-13.0	0.0	0.0	-55.2	0.0	3.9
3	WELLS FARGO M&E	NY-WFM	3946	17.86	1.40	DEC	2.10	16.38 X	27.4	15.9	7.8	8.5	-8.3	11.8	64.6
GROUP AVERAGE		2140	13.32	0.88		1.29	11.56		18.2	4.6	9.0	7.6	-13.2	9.7	394.2
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR															
2N	BAYSWATER RLTY	OC-BRITS	1043	20.35	0.00	JAN	3.96 ↑	9.75	8.3	5.4	2.5	0.0	-52.1	19.5	10.2
1	CENTRAL MTG&RL	OC-CMRTS	775	14.63	0.60	MAR	1.53 ↑	9.00 X	12.5	-7.7	5.9	6.7	-38.5	10.5	7.0
3	EQUIT LF MTG&RL	NY-EQ	5663	23.21	1.40	APR	2.83 ↓	14.00	10.8	-5.1	4.9	10.0	-39.7	12.2	79.3
3	FIRST CONTNL RE	OC-FCRES	2106	10.51	1.12	NOV	1.33	7.63	5.2	1.7	5.7	14.7	-27.4	12.7	16.1
4	FRASER MTG	OC-FRASS	1038	16.55	1.04	FEB	1.05	9.25	5.7	0.0	8.8	11.2	-44.1	6.3	9.6
3N	HANOVER SQ RLTY	AS-HSQ	946	11.42	0.00	FEB	0.21	5.63	18.5	-8.2	26.8	0.0	-50.7	1.8	5.3
3	LOMAS & NET MTG	NY-LOM	3700	28.00	2.40	MAR	2.40	17.75 X	12.6	-7.8	7.4	13.5	-36.6	8.6	65.7
2	M&T MORTGAGE	OC-MTMIS	1486	10.54	1.60	FEB	1.85	12.50	13.6	3.1	6.8	12.8	18.6	17.6	18.6
1N	MTG TRUST AMER	NY-MT	3993	14.02	0.00	FEB	0.93	7.75	14.8	8.7	8.3	0.0	-44.7	6.6	30.9
3	NATIONWIDE RE	OC-NRELS	1047	24.58	0.70	MAR	0.67 ↑	16.50 X	36.9	20.0	24.6	4.2	-32.9	2.7	17.3
2	WESTERN MTG	BO-WMTGS	1003	8.22	0.20	NOV	0.53	3.13	19.0	-7.4	5.9	6.4	-61.9	6.4	3.1
GROUP AVERAGE		2073	16.55	0.82		1.57	10.26		15.9	0.6	6.5	8.0	-38.0	9.5	263.1
LONG-TERM MTGS & PROPERTIES															
NR	DEL-VAL FIN CP*	OC-DVALS	1345	9.20	1.44	DEC	1.26	11.00 X	8.5	7.3	8.7	13.1	19.6	13.7	14.8
1	HOSPITAL MTG #	AS-HMG	1178	23.59	0.60	DEC	0.92	11.13	7.2	8.6	12.1	5.4	-52.8	3.9	13.1
1	MASSMUTUAL MTG	NY-MML	4670	19.88	1.52	JAN	1.58	13.25	10.4	12.8	8.4	11.5	-33.4	7.9	61.9
3	MONY MTG INV	NY-MYM	8955	9.85	0.92	FEB	1.14	8.00	3.2	4.8	7.0	11.5	-18.8	11.6	71.6
3	NW MUT LIFE MTG	NY-NML	4758	19.08	1.00	MAR	1.03	8.88	7.6	-1.3	8.6	11.3	-53.5	5.4	42.3
1	PACIF SOTHEN MT	OC-PSMTS	800	12.21	1.60	MAR	1.38 ↑	7.75	21.5	-3.1	5.6	20.6	-36.5	11.3	6.2
3	PNB MTG & RLTY	NY-PNI	4759	16.46	0.80	MAR	0.00	8.50	17.2	-5.6	0.0	9.4	-48.4	0.0	40.5
2	RLTY & MTG PAC	NY-RPC	1896	18.21	1.60	FEB	1.58	16.25	21.4	7.4	10.3	9.8	-10.8	8.7	30.8
4	REALTY REFUND	NY-RRF	1377	17.29	1.33	APR	1.33 ↓	10.38	0.0	0.0	7.8	12.8	-40.0	7.7	14.3
2	UNITED RLTY TR	AS-URT	3610	17.63	1.04	FEB	0.96 ↑	9.38	11.9	-3.8	9.8	11.1	-46.8	5.4	33.9
GROUP AVERAGE		3335	16.34	1.19		1.12	10.45		13.6	3.3	9.3	11.3	-36.0	6.8	329.4
MTG & FORECLOSED PROPERTY-MISC SPONSOR															
2N	Y QMT INVESTMT TR	OC-QMTIS	2030	3.04	0.00	DEC	0.21	2.25	50.0	38.0	10.7	0.0	-26.0	6.9	4.6
3N	HEITMAN MTG INV	AS-HTM	3292	1.64	0.00	MAR	0.00 ↓	1.75	26.8	-6.9	0.0	0.0	6.7	0.0	5.8
GROUP AVERAGE		2661	2.34	0.00		0.11	2.00		38.9	14.0	19.0	0.0	-14.5	4.5	10.4



RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS- MON 12 MOS	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)															
5N	AMER REALTY	OC-ARB	2222	3.61	0.00	DEC	0.60	3.13	-3.7	8.7	5.2	0.0	-13.3	16.6	7.0
2N	BAY FINCL CORP	NY-BAY	3315	6.35	0.00	FEB	0.02	5.50	18.8	-17.0	275.0	0.0	-13.4	0.3	18.2
3	CITIZENS GROWTH	OC-CITGS	811	8.87	0.20	OCT	2.03	3.75	15.4	15.4	1.8	5.3	-57.7	22.9	3.0
1	FRANKLIN RITY	AS-FR	1008	8.95	0.40	MAR	0.78	19.13 X	16.5	62.8	24.5	2.1	113.7	8.7	19.3
2N	INDIANA PCL INV	OC-IPFI	1154	8.69	0.00	MAR	0.00	3.88	24.0	19.4	0.0	0.0	-55.4	0.0	4.5
1N	KENILWORTH RLT#	NY-KRT	2609	22.98	0.00	NOV	1.31	35.50	21.4	22.9	27.1	0.0	54.5	5.7	92.6
2N	SAUL (BF) REIT	NY-BFS	5893	4.91	0.00	MAR	0.00	7.25	26.1	0.0	0.0	0.0	47.7	0.0	42.7
2N	US REALTY INV #	NY-UTY	3406	14.68	0.00	DEC	0.95	8.38	17.5	-5.6	8.8	0.0	-42.9	6.5	28.5
1N	WALTER REALTY	OC-WALJS	1035	8.25	0.00	JAN	0.58	4.50	0.0	-12.3	7.8	0.0	-45.5	7.0	4.7
2	WISCONSIN REIT	OC-WREIS	1514	5.75	0.10	MAR	1.07	4.63 X	4.2	8.9	4.3	2.2	-19.5	18.6	7.0
GROUP AVERAGE		2297	9.30	0.07	0.73	9.57	17.2	16.4	13.0	0.7	2.8	7.9	227.5		
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT															
2N	ANRET INC	PH-ARET	509	20.33	0.00	NOV	0.00	7.00	-6.7	-32.6	0.0	0.0	-65.6	0.0	3.6
4N	BUILDOR INV GRP	OC-BULDS	2844	1.56	0.00	MAR	1.20	2.19	-10.2	-8.0	1.8	0.0	40.4	76.9	6.2
5N	VJCITIZENS MTG	OC-CZM	1421	-13.51	0.00	SEP	3.67	0.13	0.0	-48.0	0.0	0.0	-0.0	-0.0	0.2
1N	COMPASS INV GP	OC-CMPSS	10600	3.81	0.00	DEC	0.00	1.69	0.0	12.7	0.0	0.0	-55.6	0.0	17.9
4N	VJCONFIDENTIAL MTG	OC-CMI	20838	-5.32	0.00	DEC	1.22	0.25	0.0	-28.6	0.2	0.0	-0.0	-0.0	5.2
2N	DIVERSIFIED MTG	NY-DMG	7326	7.87	0.00	MAR	0.00	3.63	21.0	-23.6	0.0	0.0	-53.9	0.0	26.6
3N	Y DOMINION MAR	OC-DMRTS	3314	0.76	0.00	FEB	4.35	2.38	46.0	26.6	0.5	0.0	213.2	572.4	7.9
1N	EASTOVER CORP	OC-EASTS	1034	16.92	0.00	MAR	4.36	11.25	4.7	-13.5	2.6	0.0	-33.5	25.8	11.6
2N	FIRST CARO INV	OC-FCARS	1510	14.59	0.00	MAR	0.23	7.50	15.4	15.4	32.6	0.0	-48.6	1.6	11.3
2N	FIRST MTG INVST	OC-FMTGS	8495	-3.40	0.00	JAN	2.37	1.56	31.1	-4.3	0.7	0.0	-0.0	-0.0	13.3
2N	FIRST NEWPT CF	OC-FNEW	2342	3.04	0.00	JAN	0.00	1.88	36.2	-11.7	0.0	0.0	-38.2	0.0	4.4
2N	Y GREAT AMER M&I	OC-GAMI	7372	0.77	0.00	JAN	0.41	2.50	11.1	-23.1	6.1	0.0	224.7	53.2	18.4
2N	GROWTH REALTY	NY-GRW	2059	7.21	0.00	MAR	0.35	4.25	9.5	-24.5	12.1	0.0	-41.1	4.9	8.8
3N	Y GUARDIAN MTG	PH-GMI	19010	-0.22	0.00	NOV	2.32	0.69	-8.0	-31.0	0.3	0.0	-0.0	-0.0	13.1
3N	HAMILTON INV TR	OC-HAMTS	2175	4.81	0.00	MAR	0.00	3.25	8.3	18.2	0.0	0.0	-32.4	0.0	7.1
2N	HOMAC-BARNES	OC-HOMC	1910	8.85	0.00	MAR	0.00	1.38	22.1	-26.6	0.0	0.0	-84.4	0.0	2.6
3N	INSTITUTIONAL INV	NY-INV	6798	0.32	0.00	JAN	0.00	1.25	0.0	-9.4	0.0	0.0	290.6	0.0	8.5
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.24	0.00	FEB	0.23	1.75	40.0	-6.9	7.6	0.0	-46.0	7.1	1.9
5N	Y LIFETIME COMMUN	OC-LFTMS	6661	3.38	0.00	JAN	0.50	0.75	97.4	-25.0	1.5	0.0	-77.8	14.8	5.0
2N	LINCOLN MTG	OC-LNMG	1155	0.56	0.00	DEC	0.00	2.19	0.0	-35.2	0.0	0.0	291.1	0.0	2.5
1N	MARYLAND REALTY	OC-MDRTS	760	7.97	0.00	FEB	0.00	2.13	-5.3	-26.0	0.0	0.0	-73.3	0.0	1.6
3N	Y METROPLEX RITY	OC-JMI	11840	1.04	0.00	DEC	0.71	0.50	100.0	0.0	0.7	0.0	-51.9	68.3	5.9
2N	MIDLAND MTG	NY-MMT	2382	2.00	0.00	MAR	1.82	2.25	-5.5	-42.0	1.2	0.0	12.5	91.0	5.4
1N	MISSION INV TR	AS-MIT	1812	6.41	0.00	FEB	1.49	4.63	19.3	-22.8	3.1	0.0	-27.8	23.2	8.4
1N	MORAGA CORP	OC-MORA	1355	8.19	0.00	JAN	1.25	7.25	-29.3	18.3	5.8	0.0	-11.5	15.3	9.8
4N	MTG INV WASH	OC-MINVS	2146	4.72	0.00	DEC	0.60	2.00	6.4	-16.0	3.3	0.0	-57.6	12.7	4.3
4N	Y NATIONAL MTG	OC-NMF	3707	2.19	0.00	NOV	0.16	0.75	0.0	2.7	4.7	0.0	-65.8	7.3	2.8
3N	NOVA REIT	OC-FVM	1208	8.61	0.00	DEC	1.44	2.13	-5.3	-24.2	1.5	0.0	-75.3	16.7	2.6
1N	PARKWAY COMPANY	OC-PKWYS	1055	8.03	0.00	DEC	0.08	6.50	0.0	30.0	81.3	0.0	-19.1	1.0	6.9
4N	PLAZA REALTY	OC-PRSS	1114	0.63	0.00	SEP	0.00	1.63	30.4	44.2	0.0	0.0	158.7	0.0	1.8
3N	REPUBLIC MTG	NY-RMI	2107	4.33	0.00	MAR	1.26	2.50	25.0	42.9	2.0	0.0	-42.3	29.1	5.3
2N	SO ATLANTIC FIN	NY-SAT	2706	3.64	0.00	JAN	0.56	2.75	29.1	-18.6	4.9	0.0	-24.5	15.4	7.4
3N	SOUTHEAST PROP	NY-SM	9814	2.20	0.00	MAR	0.46	1.75	0.0	16.7	3.8	0.0	-20.5	20.9	17.2
1N	TIERCO	OC-TIERS	2355	9.74	0.00	DEC	1.45	3.50	-6.7	-6.7	2.4	0.0	-64.1	14.9	8.2
2N	TOWERMARC	OC-FMEMS	1156	7.36	0.00	FEB	0.00	4.13	3.3	-5.7	0.0	0.0	-43.9	0.0	4.8
2N	TRECO INC	OC-TREC	2367	1.74	0.00	DEC	0.37	1.13	6.6	-27.6	3.1	0.0	-35.1	21.3	2.7
4N	UMET TRUST	NY-UAT	2109	1.58	0.00	FEB	1.10	2.38	5.8	-9.5	2.2	0.0	50.6	69.6	5.0
3N	Y VQUEST TRUST	OC-VYQTS	1860	5.53	0.00	FEB	11.52	4.00	0.0	-20.0	0.3	0.0	-27.7	208.3	7.4
2N	WASHINGTON CF	PH-TWC.X	1675	-0.03	0.00	MAR	0.63	1.19	19.0	-20.7	1.9	0.0	-0.0	-0.0	2.0
2N	WESTPORT COMPANY	OC-WSPTS	2388	6.12	0.00	JAN	1.56	4.75	40.5	40.5	3.0	0.0	-22.4	25.5	11.3
GROUP AVERAGE		4110	4.19	0.00	1.19	2.88	5.3	-9.3	2.4	0.0	-31.2	28.4	296.9		
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR															
3N	AMER FLETCHER M	OC-AFMS	1352	1.76	0.00	JAN	0.22	2.25	19.7	25.7	10.2	0.0	27.8	12.5	3.0
3N	BT MTG INVSTRS	NY-BTM	2116	1.25	0.00	MAR	3.98	1.88	15.3	0.0	0.5	0.0	50.4	318.4	4.0
2N	CAMERON-BROWN	NY-CB	2016	9.50	0.00	MAR	0.83	3.38	8.0	-18.2	4.1	0.0	-64.4	8.7	6.8
5N	VJCHASE MAN GTG	OC-CMR	5272	-4.38	0.00	FEB	1.75	0.69	9.5	30.2	0.4	0.0	-0.0	-0.0	3.6
NR	CITINATL DEV	OC-N/A	600	13.33	0.00	DEC	0.20	8.00	0.0	-12.4	40.0	0.0	-40.0	1.5	4.8
1	CLEVESTRUST RITY	OC-CTRS	2525	10.66	0.28	MAR	0.20	9.50	7.0	22.6	47.5	2.9	-10.9	1.9	24.0
1N	FIDELCO GROWTH	OC-FGI	1580	9.26	0.00	FEB	2.59	3.75	-19.0	-9.2	1.4	0.0	-59.5	28.0	5.9
2N	FIRST DENVR MTG	OC-FDENS	1621	4.97	0.00	MAR	0.00	2.13	42.0	-5.3	0.0	0.0	-57.1	0.0	3.5
4N	FIRST PENN MTG	NY-FPM	2961	0.62	0.00	JAN	0.00	1.25	0.0	-16.7	0.0	0.0	101.6	0.0	3.7
3N	FIRST WISC MTG	OC-FWMTS	1988	5.46	0.00	DEC	0.05	7.00	14.2	12.0	140.0	0.0	28.2	0.9	13.9
4N	INDEPENDENCE MT	OC-IMTGS	2625	3.58	0.00	DEC	7.37	4.25	6.3	23.5	0.6	0.0	18.7	205.9	11.2
2N	TRI-SOUTH MTG	NY-TSI	2918	6.35	0.00	MAR	2.66	2.75	10.0	-12.1	1.0	0.0	-56.7	41.9	8.0
2N	WACHOVIA RITY	NY-WRI	3335	9.51	0.00	FEB	0.38	4.38	6.1	-14.6	11.5	0.0	-53.9	4.0	14.6
GROUP AVERAGE		2378	5.53	0.02	1.56	3.94	6.2	0.3	2.5	0.5	-28.7	28.1	107.0		
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS															
3N	AMER CENTURY MI	NY-ACT	2607	7.16	0.00	MAR	2.07	7.00	16.7	21.7	3.4	0.0	-2.2	28.9	18.2
3N	CI MTG GROUP	PH-CI	4812	8.66	0.00	JAN	2.83	5.75	-4.2	-17.9	2.0	0.0	-33.6	32.7	27.7
2N	GMR PROPERTIES	NY-GMR	2957	2.56	0.00	NOV	0.00	2.00	6.4	-6.1	0.0	0.0	-21.9	0.0	5.9
3N	NORTH AMER MTG	NY-NAM	6901	5.32	0.00	MAR	0.00	3.25	3.8	-13.3	0.0	0.0	-38.9	0.0	22.4
1N	SECURITY CAPITL	AS-SCC	7412	6.24	0.00	MAR	0.43	3.63	21.0	-9.3	8.4	0.0	-41.8	6.9	26.9
2N	STATE MUTUAL IN	NY-SMU	5373	6.93	0.00	DEC	1.26	3.63	3.7	-23.6	2.9	0.0	-47.6	18.2	20.2
GROUP AVERAGE		5044	6.15	0.00	1.10	4.21	7.4	-7.7	3.8	0.0	-31.5	17.9	121.3		
PREFERRED STOCK & REIT FUNDS															
NR	CMT INV TR-PFD	OC-CMTIP	2149	7.50 L	0.00	DEC	0.21	2.25	50.0	19.7	10.7	0.0	-70.0	2.8	4.8
NR	CYPRUS CORP	AS-CYC	1425	1.00 N	0.00	OCT	0.00	1.75	7.4	-36.4	0.0	0.0	75.0	0.0	2.5
NR	CYPRUS-PFD	AS-CYCPR	660	21.15 C	1.70	---	0.00	13.75	3.8	0.9	0.0	12.4	-35.0	0.0	9.1
NR	RET INCOME	AS-RET	3794	3.69 N	0.00	SEP	0.17	4.13	6.4	6.4	24.3	0.0	11.9	4.6	15.7
NR	RET-54.38 PFD	AS-RETPR	575	51.63 C	4.38	---	0.00	43.50	3.0	-2.2	0.0	10.1	-15.7	0.0	25.0
NR	TRECO-PFD A I														



## CONVERTIBLE DEBENTURES

DEBENTURE	EX	INT	MAT	MIL \$	CONV	SH(000)	RECENT	YIELD	%	CONV	STOCK				
		(%)		OUT	AT	RESERVD	PRICE	(%)	CHNG	PARITY	PRICE				
ALAMAND CORP	OC	6.50	'91F	9.04	27.75	326	51.00	12.7	2.0	14.15	7.25	BAY COLONY PROP-B	PS	8.50	3/15/89
AMER CENTURY	AS	7.00	'90	2.40	17.12	140	58.00	12.1	5.5	9.92	7.00	BAY COLONY PROP-C	NY	8.50	3/31/81F
AMER CENTRY'B	NY	6.75	'91	9.81	23.86	411	55.63	12.1	1.1	13.27	6.00	BT MTG INV-C	OC	5.75	1/15/82
AMER REALTY	OC	7.00	'84F	1.48	10.40	142	70.00	DEF	0.0	7.28	3.13	CHASE MAN TR-A	OC	7.88	5/1/78F
BANKAMERICA	OC	6.75	'90	4.33	21.00	206	83.00	8.1	18.6	17.43	17.25	CHASE MAN TR-C	OC	7.50	2/1/83
BAYSWATER	OC	6.75	'91	3.92	21.00	187	57.00	11.8	7.5	11.97	9.75	CITIZNS & SO RLY-CD#	PS	3.00	6/30/93
CHASE MANHTN	OC	11.63	'97	18.62	2.25	8276	52.00	VJ	2.0	1.17	0.69	CITIZNS MTG INV-B	OC	8.50	4/15/80
CHASE MANHTN	OC	6.50	'96F	10.94	55.00	198	52.00	VJ	2.0	28.60	0.69	CMEI-C	NY	6.50	3/1/82F
CONN GENERAL	NY	6.00	'96	69.31	32.50	2132	71.25	8.4	14.0	23.15	24.13	COMPASS INV-B	OC	16.25	9/30/94
CONVNTL MTG	OC	6.25	'90	40.38	19.79	2040	35.00	VJ	16.7	6.92	0.25	EQUIT LF MT-H	NY	13.90	9/1/87
EQUITBL LF M	NY	6.75	'90	5.28	26.25	201	70.50	9.6	0.0	18.50	14.00	FIRST MTG INV-A	OC	6.75	12/1/82
FIRST NEWPR	OC	6.75	'91F	3.04	27.50	110	45.00	15.0	12.5	12.37	1.88	FIRST VA MTG-A	OC	4.00	11/1/80
FIRST PENN M	OC	6.75	'91F	7.33	8.65	847	41.00	16.5	5.1	3.54	1.25	FIRST VA MTG-BM	OC	12.00	11/1/80
FIRST UNION	NY	8.75	'99	35.00	18.00	1944	96.13	9.1	3.4	17.30	17.25	GMR PROPS-B	PS	8.50	12/3/87
FRANKLIN RLY	AS	7.00	'89	4.99	10.00	499	186.00	3.8	9.4	18.60	19.13	GREAT AMER MGMT-B	OC	3.00	8/1/90
HANOVER SQ R	AS	7.25	'92	4.52	21.00	215	57.00	12.7	0.0	11.97	5.63	GREAT AMER MGMT-C	OC	1.10	8/1/91
HEITMAN MTG	AS	7.50	'92	7.33	14.70	498	58.00	12.9	17.8	8.52	1.75	GREAT AMER MGMT-E	OC	1.10	8/1/91
HOTEL INVSTR	OC	7.75	'90	2.87	21.00	136	110.00	7.0	8.9	23.10	24.00	GROWTH RLYT-C	NY	6.75	4/15/82
HOTEL INVTRS	OC	7.50	'91	10.46	25.25	414	92.00	8.2	10.8	23.23	24.00	INST INVESTOR-B	OC	8.25	2/1/87
LINCOLN MTG	OC	8.00	'90	10.32	11.00	938	56.00	14.3	12.0	6.16	2.19	MTG INV WASH-BG	OC	12.00	11/1/80
MASSMUTL MTG	NY	6.75	'90	4.74	21.00	225	72.00	9.4	6.7	15.12	13.25	NATIONWIDE RE-C	OC	7.00	1/1/91
MASSMUTUAL M	NY	6.25	'91	41.07	33.50	1226	62.00	10.1	9.7	20.77	13.25	NO AMER MTG-B	PS	8.50	11/1/87
MIDLAND MTG	OC	7.00	'86	4.25	16.67	255	58.00	12.1	-3.2	9.66	2.25	REALTY REFUND	NY	11.38	11/1/98
MONEY MTG IN	NY	7.00	'90	6.30	11.00	573	75.25	9.3	1.7	8.27	8.00	REALTY REFUND-C	NY	12.00	5/15/98
MTG INV WASH	OC	8.00	'90	2.32	15.00	155	63.00	12.7	5.0	9.45	2.00	SECURITY MTG-C	OC	6.00	6/15/82
NOWSTRN MUTL	NY	6.00	'91	2.77	21.00	132	62.00	9.7	0.0	13.02	8.25	SMI INV (DEL)	AS	7.25	5/1/82
PAC REAL TR	AS	7.00	'92	3.96	26.25	151	77.00	9.1	-1.8	20.21	23.25	SO ATLANTIC-C#	NY	6.75	2/15/82F
PBN MTG	AS	6.75	'91	3.24	20.00	162	56.25	12.0	-1.2	11.25	8.50	STATE MUT INV-B	NY	9.00	11/1/80F
PBN MTG & RL	NY	6.75	'82	17.50	20.00	875	85.63	7.9	7.0	17.12	8.50	TRECO-C	OC	6.75	9/1/91
RAM PACIFIC	NY	6.75	'91	11.63	21.00	553	67.63	10.0	9.1	14.20	16.25				
REALTY INCOM	AS	8.00	'91	15.23	18.00	846	63.00	12.7	5.0	11.34	7.75				
REPUBLIC MI	NY	9.00	'90F	2.26	19.00	118	102.50	8.8	-0.4	19.47	2.50				
SAUL (BF) RL	OC	6.50	'91	30.38	23.00	1320	57.00	11.4	14.0	13.11	7.25				
SAUL(BF) REI	OC	8.00	'90	7.28	15.50	469	70.00	11.4	12.9	10.85	7.25				
STATE MUTUAL	AS	6.75	'91	1.29	21.00	61	66.00	10.2	0.0	13.86	3.63				
TRECO	OC	8.50	'98	9.40	1.62	5805	85.00	10.0	-5.5	1.37	1.13				
TRI-SO / SR	PH	10.00	'88	9.99	2.50	3999	115.00	8.7	15.0	2.87	2.75				
TRI-SOUTH MI	NY	7.00	'92F	5.81	29.50	197	55.00	12.7	12.5	16.22	2.75				
US REALTY IN	NY	5.75	'89	8.84	20.20	437	59.00	9.7	5.6	11.91	8.38				
WASH CORP	OC	6.50	'91	12.26	33.00	371	42.00	15.5	-2.2	13.86	1.19				
WESTPORT CO	OC	6.75	'91	2.32	21.00	110	46.00	14.7	7.0	9.66	4.75				

## STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MATURITY	MIL \$	PRICE	%	%
						CHANGE	YIELD
BAY COLONY PROP-B	PS	8.50	3/15/89	16.5	68.00	4.6	12
BAY COLONY PROP-C	NY	8.50	3/31/81F	6.8	90.06	2.3	9
BT MTG INV-C	OC	5.75	1/15/82	19.4	75.00	7.1	7
CHASE MAN TR-A	OC	7.88	5/1/78F	36.7	95.00	5.6	VJ
CHASE MAN TR-C	OC	7.50	2/1/83	41.2	52.00	4.0	VJ
CITIZNS & SO RLY-CD#	PS	3.00	6/30/93	2.4	80.00	-5.8	3
CITIZNS MTG INV-B	OC	8.50	4/15/80	20.0	30.00	-3.1	VJ
CMEI-C	NY	6.50	3/1/82F	30.0	73.25	4.3	8
COMPASS INV-B	OC	16.25	9/30/94	4.4	100.00	0.0	16
EQUIT LF MT-H	NY	13.90	9/1/87	50.0	87.25	0.0	15
FIRST MTG INV-A	OC	6.75	12/1/82	7.7	60.00	-19.9	11
FIRST VA MTG-A	OC	4.00	11/1/80	14.9	83.00	2.5	4
FIRST VA MTG-BM	OC	12.00	11/1/80	5.0	85.00	1.2	14
GMR PROPS-B	PS	8.50	12/3/87	15.3	67.00	13.6	12
GREAT AMER MGMT-B	OC	3.00	8/1/90	11.7	40.00	2.6	7
GREAT AMER MGMT-C	OC	1.10	8/1/91	1.3	34.00	0.0	3
GREAT AMER MGMT-E	OC	1.10	8/1/91	6.5	36.00	5.9	3
GROWTH RLYT-C	NY	6.75	4/15/82	9.2	83.50	9.9	8
INST INVESTOR-B	OC	8.25	2/1/87	15.2	55.00	5.8	15
MTG INV WASH-BG	OC	12.00	11/1/80	15.0	87.00	0.0	13
NATIONWIDE RE-C	OC	7.00	1/1/91	6.5	60.00	5.3	11
NO AMER MTG-B	PS	8.50	11/1/87	12.1	65.00	4.8	13
REALTY REFUND	NY	11.38	11/1/98	20.0	83.50	4.5	13
REALTY REFUND-C	NY	12.00	5/15/98	15.0	84.00	6.3	14
SECURITY MTG-C	OC	6.00	6/15/82	5.3	75.00	-6.2	8
SMI INV (DEL)	AS	7.25	5/1/82	35.0	84.25	2.7	8
SO ATLANTIC-C#	NY	6.75	2/15/82F	16.9	81.00	8.0	8
STATE MUT INV-B	NY	9.00	11/1/80F	6.2	95.25	0.0	9
TRECO-C	OC	6.75	9/1/91	5.3	45.00	2.3	15

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-VARIABLE RATE IN MAR. AND SEPT.; CONVERT INTO 9% DEBENTURE TO 9/1/86. E-JUNIOR. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE. ALAMAND CONVERTS INTO SHARES OF MORAGE CORP.

## WARRANTS

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends as "irregular." The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Earnings and Price/Earnings Ratio:** For mortgage trusts, earnings shown are the latest twelve months' earnings. Zeroes indicate losses or no earnings over the twelve months. Losses per share are shown in the monthly Earnings Trend summary and in

NAME	EXCH/	EXP	OUT	EXER	NO.	WTS	STK	CONV	%	MKT VA
	SYMBOL	DATE	(000)	PRICE	SH.	PRICE	PRICE	PREM	CHG	(MIL\$)
FLATLEY RLYT	O-FLTLW	5/30/80	1000	10.00	1.0	0.25	6.50	57.7	92.3	0.3
HOMAC-BARNES	O-HOMCW	12/30/82	1910	20.00	1.0	0.02	1.38	1350.7	0.0	0.0
JMB REALTY	O-JMBRW	8/15/82	510	20.00	1.0	2.25	17.00	30.9	28.6	1.1
MAT MTG INV	O-MTMIZ	8/31/80	744	13.00	1.0	0.38	12.50	7.0	192.3	0.3
PBN MTG (B)	A-PNIWB	6/1/82	700	20.00	1.0	0.69	8.50	143.4	-7.9	0.5
SAN FRAN REI	A-SFIW	12/31/80	1348	25.00	1.0	2.38	25.00	9.5	153.2	3.2
SOUTHMARK-B*	PS-N/A	3/31/83	208	2.00	50.0	19.50	1.75	36.6	8.3	4.1

\*CITIZENS & SOUTHERN REALTY DEBENTURES USABLE IN LIEU OF CASH.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

**RELATIVE APPEAL RANKINGS.** Non-recurring items such as asset swap gains, reversals of loss reserves, etc., are included in comparisons for nonqualified mortgage trusts, but are not included in comparisons for qualified trusts.

For property or equity trusts, 12 months' net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "#". beside their names. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "H". Both earnings (EPS) and net cash flow (CFS) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

Book value per share is essentially tang-

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "#") - see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.



LIQUIDATIONS: KENILWORTH REALTY TRUST  
UPPED TO NO. 1N RANKING ON BREAKUP

Kenilworth Realty Trust says it will file a proxy soon asking shareholders to vote in mid-July on liquidating. Since nearly 50% of shares are held by a group headed by investment adviser David J. Greene & Co., approval seems assured.

We have ranked the shares No. 2N—no dividend until now because the new group gave no clear indication of its intentions. Absent such signals, shares of a property company will normally sell at some discount from break-up value to compensate for holding costs (Kenilworth pays no dividend) and the management and administrative costs of maintaining a public company.

Now that Kenilworth's new managers have clearly signalled their intentions, we are moving the shares to No. 1N rank—because of our feeling that the shares at about \$35 offer some excellent arbitrage prospects for a break-up value well above current market price.

When The Wall Street Journal called about the deal, we told the reporter that Wall Street estimates ranged from \$40 to \$60/share breakup value, centering on \$45/share. Our RELATIVE APPEAL RANKING issues have been saying the shares were speculations upon liquidation over \$35/share, and we now revise that upward to reflect improved rents and values in Manhattan office properties, Kenilworth's largest property group.

Rents at Kenilworth's three Manhattan office towers with 1.5 million sq.ft. of space rose nearly 24% in the Feb. 1979 fiscal year to average \$9.02/sf, most of the gain attributed to higher occupancies. Additional occupancy gains have continued in the nine months through Nov. 1979, latest reported, although gains were offset by higher utility costs and interest.

Withal, Kenilworth in its Feb. 1979 fiscal year carried only \$1.16/sf down to income before depreciation and payments on the \$40.0 million (\$26.72/sf)

mortgage debt. If that were the whole story, the stock would be a sell, not a buy.

But Manhattan office rents have been surging upward; space comparable to the Kenilworth towers now commands \$15 to \$18/sf and the supposition is that the trust will benefit from this surge as old leases are renewed at current rates. With the two major buildings, 485 Lexington Ave. and 750 Third Ave. (they are back-to-back buildings connected by a concourse) now financed at attractive rates (9-3/4% tops), new rent increases should largely fall to the bottom line. This prospect is one reason a long-term investor might pay more than the capitalized value of today's rents for the buildings.

Moreover, cost of reproducing new office space has soared to over \$100/sf for comparable buildings in Manhattan, and this empty-space reproduction cost sets some sort of a benchmark price for prospective purchasers. Using an \$80/sf replacement cost value (i.e., a 20% discount to allow for the lag in rolling over old leases to today's rents), the Manhattan office buildings are worth about \$21/sh. over net book value plus depreciation. It's on this basis that we now believe Kenilworth's break-up value may be near \$45/sh., or about \$22/sh. over net book value plus depreciation.

Our value analysis attaches no buildup to values that may lie in Kenilworth's 2,387 apartment units, most located in Ohio, and its 463,000 sf Truman Corners shopping center in Grandview, Mo. Kenilworth's gross cost for apartments is \$16,650/unit, which is above the average \$14,000 for which it was able to sell apartments the past two years. But its Truman Corners center is booked at only \$18.50/sf, well below the \$25 to \$35/sf at which many comparable centers are selling.

Considering all this, we feel comfortable with advising that risk-oriented accounts can now arbitrage the shares.

EARNINGS AND DIVIDEND TRENDS: EARNINGS  
CONTINUE MIXED, DIVIDEND PAYOUTS STRONG

Of the 24 qualified trusts reporting earnings in the last month, thirteen had



# New Earnings & Dividend Reports

Trust-Period ended	Th. \$/Spec '1#	EPS/Spec '1#	Prev. Q- EPS/Spec '1#	-Yr. Ago Q- EPS/Spec '1#	-% Chng. from*- Prev. Q	-Yr. Ago Q- Yr. Ago Q
<b>Quarterly results: Qualified REITs:</b>						
Amer. Equity...Mar-EPS	\$ 653	0.26	0.32/12cG	0.16	+30	+63
" " " " " " " "	747	0.30	0.38/12cG	0.23	+15	+30
Central Mtg...Mar...	315	0.41	0.60/29cG	0.08/d17cN	+32	+64
Cons. Cap. Rlty.Feb-EPS	724/208G	0.36/10cG	2.08/1.84G	0.03/6cW	+8	Better
" " " " " " " "	1669/208G	0.83/10cG	2.73/1.84G	0.56/6cW	-18	+46
Equitable M&R...Apr...	2000	0.35	0.40	0.50	-13	-30
Federal Rlty...Mar-EPS	480	0.33	0.30	0.24	+10	+38
" " " " " " " "	707	0.49	0.21	0.40	+133	+23
First Union...Mar-EPS	1404	0.25	0.43/15cG	0.30/10cX	-11	+25
" " " " " " " "	1867	0.33	0.47/15cG	0.50/10cX	+3	-18
Gen. Growth...Mar-EPS	70744/69449G	1.41/11.20G	0.35/1cG	0.28/1cG	-38	-22
" " " " " " " "	71742/69449G	1.57/11.20G	0.51/1cG	0.41/1cG	-26	-8
Gould Investor...Feb...	194/38G	0.17/4cG	2.14/1.91G	0.29	-43	-55
Hotel Investor...Feb-EPS	1179	0.69	0.98/23cG	0.29	-8	+17
IRT Property...Mar-EPS	2690/1966	1.16/85cG	0.22	0.19	+41	+63
" " " " " " " "	2739/1966	1.19/85cG	0.31	0.25	+10	+36
JMB Realty...Feb...	1239/972G	2.43/1.91G	0.52	0.51	UC	+2
Midland Mtg...Mar...	130/61N	0.05/2cN	0.09/8cNT	d0.16/2cT	+200	Better
Nationwide RE...Mar...	254	0.24	0.22/2cI	0.13	+20	+85
Pacific-Schrm...Mar...	180	0.23	0.24/3cG	0.39/14cX	+10	-8
Prop'ty Capital...Apr...	830	0.40	0.39	0.35	+3	+14
Prop. Tr. Amer...Mar-EPS	2452/377G	1.05/89cG	0.07	0.07/3cG	+129	+300
RE Inv. Props...Mar-EPS	304	0.32	0.26	0.26	+23	+23
" " " " " " " "	355	0.37	0.31	0.31	+19	+19
REIT of Calif...Mar...	304	0.42	0.52	0.32	-19	+31
Realty Refund...Apr...	301	0.24	0.33	0.40	-27	-40
Riviere Realty...Mar-EPS	597/974GN	0.76/1.24GN	d0.66	0.12	Better	Worse
" " " " " " " "	768/974GN	0.98/1.24GN	d0.49	0.17	Better	Worse
San Fran. RE...Mar-EPS	547	0.32	0.45	0.32	-13	+22
" " " " " " " "	644	0.44	0.49	0.40	-10	+10
Santa Anita...Mar...	5963	2.16	(a)	r2.01	(a)	+7
USP REIT...Mar-EPS	122	0.05	0.16/12cG	0.14/6cG	+25	-38
" " " " " " " "	479	0.18	0.29/12cG	0.23/6cG	+6	+6
Virginia REIT...Mar-EPS	154	0.15	0.16	0.11	-6	+36
" " " " " " " "	303	0.30	0.30	0.25	UC	+20
Washingtn REIT...Mar...	733	0.48	0.56	0.44	-14	+9

<b>Quarterly results: Nonqualified trusts &amp; corps:</b>						
Amer. Century...Mar...	1071/502N	0.41/19cN	1.19/1.21SN	d0.09	Better	Better
BT Mtg...Mar...	d19	d0.01	0.09/4cN	0.25	Worse	Worse
Builders Inv...Mar...	302/565SNT	0.10/19cSNT	0.23/21cSNT	d0.35/17cSNT	Worse	Better
Cameron-Brown...Mar...	d217	d0.11	0.01	0.25/28cSNG	Worse	Worse
Clevertust Rlty...Mar...	116	0.05	0.02	d0.01/1cG	+150	Better
Diversified Mtg...Mar...	130/5AN	0.20/7cN	d0.13	d0.33	Better	Better
Eastover Corp...Mar...	202/68N	0.22/8cN	0.16/6cNG	0.37/19cNG	+6	-28
First Carolina...Mar...	334/125N	0.22/8cN	0.16/6cN	0.15/7cN	+75	+87
First of Denver...Mar...	d820	d0.51	0.03/1cN	0.54/27cN	Worse	Worse
First Mortgage...Jan...	d606/d185N	d0.06/d45cN	0.35/11cN	0.01	Worse	Worse
Franklin Realty...Mar...	26/7N	0.02/N11-N	0.63/27cN	0.05/1cN	-94	-50
Growth Realty...Mar...	d539	d0.26	0.71/1.16S	d0.62	Better	Better
Hamilton...Mar...	d361	d0.17	d0.29	d0.29/57cGI	Better	Better
Heitman...Mar...	d326	d0.10	0.32	d0.05/12cSG	Worse	Better
Homac-Barnes...Mar...	251/420G	0.13/22cG	d0.25/1cN	d0.52/33cG	Better	Better
Indiana Finc'l...Mar...	d295	d0.25	d0.17	0.41/62cG	Worse	Worse
Republic Mtg...Mar...	136/62N	0.06/3cN	1.37/73cS	d0.50/17cS	Better	Better
Saul (B.F.)...Mar...	1037/516G	0.17/8cG	d0.08	d0.20/1cG	Better	Better
Security Cap...Mar...	801	0.11	0.07/6cTN	0.06/6cTN	+1000	Better
Southmark...Mar...	495/225NS	0.05/2cNS	0.08/8cI	N11/d2cS	Better	Better
Tri-South...Mar...	1029/494S	0.35/17cS	0.30/14cN	0.23/11cN	+13	+50
U.S. Realty...Mar...	d166	d0.05	0.02/4cGN	0.21/22cG	Worse	Better
Washington Corp...Mar...	372/377 G	0.16/16cG	0.48/49cG	0.11/8cG	Worse	Worse
Wiscotin REIT...Mar...	588/190N	0.39/13cN	0.22/11cN	0.01	+136	+2500

<b>Annual results: All trust &amp; corps:</b>						
Central Mtg...Mar...	1185/244GR	1.53/32cGR	1.48/47cGR			+20
First Mtg...Jan...	20091/17760GT	2.37/2.09GT	0.22/14cNS			Better
Hospital Mtg...Dec-EPS	758/401G(b)	0.64/34cG(b)	0.35/1cG(b)			(b)
" " " " " " " "	1080/401G(b)	0.92/34cG(b)	0.64/1cG(b)			(b)
Nationwide RE...Mar...	704/25I	0/67/2cI	0/66/24cI			+57
Pacific-Schrm...Mar...	1108/404Y	1/38/50cY	0/97/23cYX			+19

<b>Dividend declarations:</b>						
Record date	Latest	Previous	Year-ago	Prev. Q	Yr. ago	
Central Mtg...5/15	0.15	0.15	UC	UC	UC	
Clevertust Realty...6/13	0.07	0.07	0.05	UC	+40	
Consolidated Capital...5/16	0.21M	0.21M	0.1717M	UC	+22	
Nationwide RE...5/20	0.27	0.22	0.13	+23	+108	
New Plan Realty...5/15	0.075M	0.075M	0.065M	UC	+15	
" " " " " " " "	0.08M	0.075M	0.07M	+7	+14	
Pennsylvania REIT...7/31	0.95S	0.95S	0.825S	UC	+15	
Pittsburgh & W. Va. RE...6/10	0.14	0.14+1c EXT	0.14	UC	UC	
Property Capital...5/30	0.40	0.39	0.35	+3	+14	
Property Trust Amer...5/23	0.15+25c EXT	0.12+25cEXT	0.10	+25	+50	
Realty Refund...6/2	0.24	0.33	0.40	-27	-40	
San Francisco REIT...5/9	0.44	0.44	0.40	UC	+10	
Virginia REIT...5/15	0.25	0.20	0.20	+25	+25	
Washington REIT...6/5	0.58	0.58	0.53	UC	+9	

UC=Unchanged. M=Monthly dividend. S=Semiannual dividend. d=deficit. r=reinstated.  
 #--Special items included in both thousand dollar and share amounts are: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit or charge; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor, insurance company, or litigation with borrower; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offer.

\* Comparisons are based upon earnings per share before special items. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

a -Prior quarter EPS for Santa Anita unavailable; year-earlier results restated by trust for comparative purposes.  
 b -Hospital Mtg. results for 10 months ended 12/79 and 12 months ended 10/78; not compared.

increased earnings and nine had down quarters, as compared on a quarter to quarter basis. Year to year comparisons, while stronger, also show the effects of high interest rates on some of the trusts.

Property Trust of America was one of the best performers, with earnings before an 89¢/share sale gain up 129% compared to the preceding quarter and up 300% from the year-earlier level. The trust also raised its payout to 15¢/share with a 25¢/share extra dividend. The trust expects continued improvement in earnings throughout 1980.

USP REIT's earnings were up 25% in the March quarter and cash flow was up 6%; expect further improvement now that a new tenant has sublet the A&P space at one of the trust's shopping centers. Five additional leases have been signed now that the space is being filled.

Gould Investors attributes its down quarter to recent acquisitions with substantial long-term potential but whose current cash flow is lower than the cost of funds to the trust.

While Riviere Realty reported another operating loss for the March quarter resulting from the acquisition of seven properties in lieu of foreclosure, operating results of the properties are improving, and results for all other trust properties equaled or exceeded the year-earlier performance. Results should continue to improve with the elimination of some floating rate debt and the improvements on the acquired properties.

Among the nonqualified trusts, B.F. Saul REIT reported profits from operations in the March quarter, largely on profits from condominium conversions, although this was somewhat offset by high bank borrowings and the rate on the new senior notes used to retire the 8½% notes due in February, 1980.

First Carolina's March quarter results were up sharply. The Grand Hotel, the trust's largest non-earning asset, has been optioned and the trust expects the option to be exercised by the end of the third quarter, enabling the trust to retire its remaining bank debt.